

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)
)
Connect America Fund) WC Docket No. 10-90
)

To: The Commission

PETITION FOR PARTIAL RECONSIDERATION

The Micronesian Telecommunications Corporation (“MTC”), the incumbent local exchange carrier (“ILEC”) serving the Commonwealth of the Northern Mariana Islands (“CNMI”), by its attorneys, hereby seeks reconsideration, pursuant to section 1.429 of the Commission’s rules, of the Connect America Fund (“CAF”) high-cost universal service support requirement to test at least five subscriber locations per CAF-required service tier offering. This requirement was adopted in the *Order* issued on July 6, 2018 (“*Order*”) in the above-referenced proceeding.¹ As discussed below, the requirement that CAF support recipients test at least five discrete locations per service tier fails to account for small providers that do not have the requisite number of customers, particularly in higher service tiers. Given the burdens of obtaining customer consent to serve as a test case, providers with fewer than 50 customers in any given service tier should not be required to test more than 10 percent of their customers in the tier (with a minimum of one customer per tier with customers).

¹ *Connect America Fund*, WT Docket No. 10-90, Order, DA 18-710 at ¶ 36 (WCB, WTB, OET rel. July 6, 2018), 83 Fed. Reg. 42052 (Aug. 20, 2018) (“*Order*”).

The CNMI is an insular chain of islands stretching over 300 miles of the Pacific Ocean, located approximately 6,000 miles from the U.S. western coastline. CNMI's population of approximately 50,000 people is spread primarily over the islands of Saipan, Tinian, and Rota, each of which is over 100 kilometers from the other.² Recent surveys have estimated that only 30.6 percent of the population uses the Internet and that the median per capita income in the CNMI is \$24,500,³ or 41.1 percent of the U.S. average.⁴

MTC, which is regulated by the Commission as a price cap ILEC, offers several speed tiers for Internet subscribers in CNMI. Due to the challenging business environment, however, certain service tiers have very few customers even when counting non-CAF-supported areas.

MTC and other similarly situated small recipients of CAF funding are unable to comply with the rule as written. The Commission therefore should modify the rule to provide a safety valve reducing the number of locations to be tested for small recipients of CAF support.

That safety valve should recognize that it is not reasonable to require any provider to obtain consent from all (or even a substantial percentage) of its customers in a speed tier to serve as test subjects. As other CAF recipients have observed, not all customers will be willing to allow their service to be tested.⁵ The Commission should therefore modify the rule to specify

² See Central Intelligence Agency, *The World Factbook – Australia-Oceania: Northern Mariana Islands*, <https://www.cia.gov/library/publications/the-world-factbook/geos/cq.html>.

³ *Id.*

⁴ See The World Bank, *GDP per capita*, <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=TR>.

⁵ See, e.g., Letter from Gerard J. Duffy, WTA Regulatory Counsel, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 (filed Sept. 14, 2018) at 2 (“The WTA members stressed the difficulties of reaching rural customers and getting them to agree to allow testing of their broadband service for federal government purposes.... And even if a company can get enough customers to agree to take part in the first rounds of testing, obtaining new testing samples every two years is likely to stretch the limits of possibility.”).

that a broadband provider will be required to test no more than 10 percent of its customers in any given service tier, with a minimum of one test customer per service tier with customers.

Respectfully submitted,

THE MICRONESIAN
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